

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY CORPORATION)	
(ATMOS), THROUGH ITS DIVISION, WESTERN)	
KENTUCKY GAS COMPANY OF OWENSBORO,)	
KENTUCKY, FOR AN ORDER AUTHORIZING THE)	CASE NO.
ISSUANCE OF UP TO \$150,000,000 IN UNSECURED)	98-216
NOTES OR DEBENTURES)	

O R D E R

Atmos Energy Corporation ("Atmos"), through its division, Western Kentucky Gas Company ("Western"), filed its application seeking authority to issue up to \$150,000,000 in unsecured notes or debentures. The notes or debentures will have maturities of up to 30 years. The interest rate objective is to be below 7 percent. The proceeds will be used to reduce Atmos's outstanding short-term debt which was \$213,600,000 on December 31, 1997.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the issuance and sale of the above securities by Western are for lawful objects within its corporate purposes, are necessary and appropriate for and consistent with the proper performance of its service to the public, are reasonably necessary and appropriate for such purposes, and should therefore be approved.

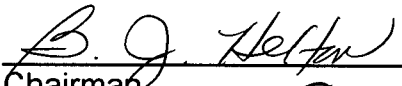
IT IS THEREFORE ORDERED that:

1. Western is authorized to issue and sell up to \$150,000,000 of unsecured notes or debentures at an interest rate to be determined in the manner set forth in its application.
2. Western shall agree only to such terms and prices that are consistent with said parameters as set out in its application.
3. Western shall, within 30 days after the issuance of the securities referred to herein, file with the Commission a statement setting forth the date or dates of issuance of the securities authorized herein, the price paid, the interest rate(s), the purchasers, and all fees and expenses, including underwriting discounts or commissions or other compensation, involved in the issuance and distribution, and a statement of the use of the proceeds.
4. The proceeds from the transactions authorized herein shall be used only for the lawful purposes set out in the application.

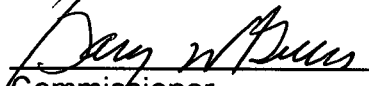
Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

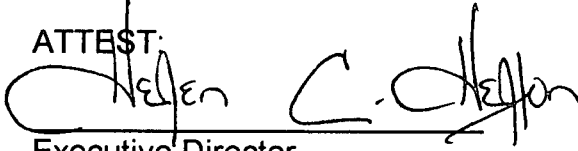
Done at Frankfort, Kentucky, this 9th day of June, 1998.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director